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# The Progress of American Ideals

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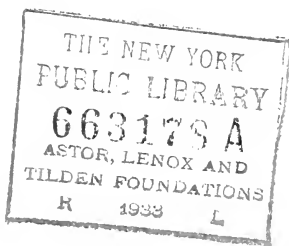
THE WEIL LECTURES

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DELIVERED IN 1920

AT THE  
UNIVERSITY OF NORTH CAROLINA

BY  
R. GOODWYN RHETT



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## AMERICANISM

The progress of the American people in the brief period of their existence on this continent marks one of the most remarkable national achievements of history. The natural wealth and resources of the country are, in many respects, without parallel but this of itself could not account for such progress. That it supplied a stimulant to greater effort and greater accomplishment cannot be doubted, but the men who made America their home unquestionably developed within themselves a spirit which is distinctive;—a spirit which has been transmitted from generation to generation, and caught up by the millions who have come to us from other nations, ever spurring them on to greater and greater achievement. It is that spirit which we call Americanism. Under its inspiration liberty was given a new meaning, and government to secure it a new form; social relations and conditions were given a new status; and finally industry and commerce were developed to enormous proportions. With the growth of the country the problems of preserving the ideals to which its people were dedicated in 1776 have likewise grown and

multiplied and are today pressing upon them for solution as never before.

Let us take up three manifestations of this spirit in the following order: the social structure and development of America,—the political organization and government of America,—and the industrial progress and problems of America.



## SOCIAL AMERICA

It has been said that the place which a nation occupies in the world of history depends upon the intellect and character of its people,—its leaders and its masses. The intellect and character of a people would seem to depend primarily upon racial and inherited capacity, and then upon educational development.

There are some who vigorously insist that the progress of civilization is in no way dependent upon “inborn heredity”. For instance Mr. Benjamin Kidd in “The Science of Power” expresses himself as follows:—

“Now one of the first steps necessary for a true conception of the forces controlling civilization is to understand that most of these assumptions about inborn heredity as to the basis of civilization have no foundation in fact. They are, on the contrary, directly in the face of incontrovertable facts of quite a different significance. The increasing interval between civilization and savagery does not depend upon inborn heredity. The science of civilization has almost nothing to do with the facts of inborn heredity.

\*\*\*“At many centres of higher education in England and in Europe, students of Indian, Japanese, Burmese, Siamese, Chinese, Negro and many other races are to be found undergoing preparation for the higher professions under exactly the same conditions as students of European races. The results go to show that non-

European students quite hold their own in intellectual achievements in comparison with European students.”

On the other hand just the opposite view is held by many scientists, and perhaps the large majority of them. For instance Dr. Grant in the “Passing of a great Race” has this to say on the subject:

“There exists today a widespread and fatuous belief in the power of environment as well as of education and opportunity to alter heredity. Such beliefs have done much damage in the past, and if allowed to go uncontradicted, may do much more serious damage in the future. The view that the negro slave was an unfortunate cousin of the white man, deeply tanned by the tropic sun, and denied the blessingz of Christianity and civilization, played no small part with the sentimentalists of the Civil War period, and it has taken us fifty years to learn that speaking English, wearing good clothes and going to school and church, does not transform a negro into a white man.

\*\*“Whether we like to admit it or not, the result of the mixture of the two races, in the long run, gives us a race reverting to the lower type. The cross between a white man and an Indian is an Indian; the cross between the white man and a negro is a negro.

\*\*“Whenever the incentive to imitate the dominant race is removed, the negro, or for that matter, the Indian, reverts shortly to his ancestral grade of culture. In other words it is the *individual* and not the *race* that is affected by religion, education and example.

\*\*“Where two distinct races are located side by side, history and biology teach that but one of two things can happen; either one race drives the other out, or else they amalgamate and form a population in which the lower type ultimately predominates.”

Some scientists go even farther than this and tell us that there are lower strains within the races which transmit an heredity of inferiority; that they are multiplying in this country more rapidly than the higher strains and in time will lower the intellectual and moral capacity of the nation to its irretrievable harm if permitted to go unchecked.

In October 1904 the Minister of Public Instruction of Paris appointed a Commission to study the question of the instruction of defective children. One of the members of that Commission was Alfred Binet. He became so impressed with the problems which were opened up in that investigation that he devoted many years of his life to working out standard tests of intelligence in order to classify mental capacity for education. He became satisfied that there is a limit to the growth of the intelligence of every human being just as there is a limit to the growth of the physical stature, and that intellectual development is largely independent of what we call learning or knowledge; that all do not and cannot develop to the highest level, or even near it, many stopping at one of the lower levels of childhood. In other words, he holds that every human being comes into

the world with a potentiality for mental development that will carry him or her just so far and no farther, and that nothing can, to any great extent affect the mental level to which he, or she, will finally attain.

Intelligence, he warn us, must not be confused with knowledge, however, The former is the potentiality of the mental machine while the latter is the material upon which it works. Intelligence is entirely dependent upon the structure of the brain cells and upon the functioning of those cells. Knowledge cannot increase their capacity, it only furnishes the opportunity or means for it to function to or towards its limit.

These tests of Binet were tried in educational institutions for some years before the recent war and with some degree of approval. An immense impetus was given to them, however, by their adoption in connection with the drafting of some 1,700,000 men into our Army in the war.

There were seven(7) ratings used with the following results:—

A. Very superior ability.....	4½%
B. Superior ability.....	9 %
C+ High Average ability.....	16½%
C. Average ability.....	25 %

C—Low average ability.....	20 %
D. Inferior ability.....	15 %
E. Very inferior ability.....	10 %

These tests at Camp Grant showed that of 28,052 white recruits 10.7 per cent showed A or B while only .2 of 1 per cent of negroes from Louisiana and .5 of 1 per cent of negroes from Mississippi had that standing. On the other hand, only 7.4 per cent of the whites showed D or E while 52.9 per cent of Mississippi negroes and 63.3 per cent of the Louisiana negroes were in these low grades.

Over 82 per cent of the officers tested out in the Army were found to be in the first two classes. On the other hand, more than 90 per cent of a Company, who after trial were pronounced by its officers unfit for over-sea service, were found to be in the lowest class. Of course other qualifications than intelligence are essential to the making of a good soldier and possibly some qualifications are even more important than a very high degree of intelligence. A certain degree of intelligence above the average, however, is undoubtedly essential; and it is claimed that the well recognized efficiency of our forces was largely due to the application of this test, which elim-

inated those of a low degree of intelligence from a service requiring resourcefulness only to be found with superior intellects.

Unquestionably the impetus given by the use of these tests in the Army is going to result in their closer study, their further development and their more frequent application in our institutions of learning. Indeed Columbia University has already begun to use them.

Whether these tests of intelligence first worked out by Alfred Binet, and since enlarged and improved, have really opened up to us, as is claimed, a means of measuring with some degree of accuracy the relative intelligence of men,—that is to say their relative mental capacity—and whether in time we may expect to have fairly accurate tables showing the comparative average intelligence of the peoples of the various races and nations and tables showing from year to year how this average is changing, remains to be seen. Intellect, of course, is only one of the elements which go to make up the complete man.

Without the character to direct the intellect with judgment, prudence, energy, balance and that beneficence which can only come through the moral and spiritual force in

man, the intellect will not carry its possessor very high in the scale of civilization. That some races have possessed these combinations in a superior degree, and have manifested it in their histories is beyond question. There are other races that have contributed little or nothing to the progress of civilization in all the ages. In some there have been brilliant outbursts with subsequent subsidence, giving color to the claim of the Eugenisists that when a start in the preponderance of inferior intellects is for some reason brought about and allowed to increase unchecked, it will lower and weaken the whole mass.

The Egyptians of the distant past furnish us with an example of a progress beyond the other nations of the same age; Greece and Rome furnish other illustrious examples of similar extraordinary advances in Art, Philosophy, Science and Government; but no race has ever done more for the advancement of civilization than the Anglo-Saxon Race, even before the European settlement of America. Let us begin our inquiry into Social America by an examination of the racial status of the country.

## THE RACIAL STRUCTURE

It was the Anglo-Saxon who settled Virginia in 1607. It was the Anglo-Saxon who landed on the Cape Fear River with Sir John Yeamans; in Charleston Harbor with Mr. Joseph West; in Maryland with Lord Baltimore; in Pennsylvania with William Penn; and in Georgia with Oglethrope.

It was the Anglo-Saxon who won the independence of the Colonies and founded the Union. It was also the Anglo-Saxon who won the West, and brought the Nation to its high estate.

The immigration of the other races did not begin to assume any proportions until about fifty years after the Union was formed. For instance, the immigrants of no other race reached as much as 10,000 per annum until 1832 when 10,090 Germans came in. The next race to pass the 10,000 mark was the French race in 1846, when 10,583 Frenchmen entered. Out of a population of 17,000,000 in 1840 there were less than a million immigrants, of whom at least one-half came from England, Scotland or Ireland. The immigrants of other than the Anglo-Saxon race were adventurous spirits as a rule, and vigor-



ous of mind and body. They soon intermarried with the Anglo-Saxon and that amalgamation certainly did not result in any depreciation from inborn heredity. In the forties, immigration began to increase very appreciably and to include a great variety of races, but it was not until the Chinese began to invade California in 1852 that any protest arose. The Legislature of that State passed an act in 1855 restricting such immigration. The U. S. Supreme Court declared it unconstitutional. The Legislature then appealed to Congress in 1877 and again in 1878. Congress passed a Chinese exclusion Act in 1879. President Hayes vetoed it. In 1882 it passed another such Act and President Arthur vetoed it. A ten year exclusion Act was then enacted that same year, and it has been renewed from time to time ever since.

Japanese immigration did not begin until much later. It was checked by agreement with the Japanese Government in 1908. In the census of 1910 there were 56,756 Chinese and 67,744 Japanese in the United States.

In 1900 a few East Indian laborers came into California. By 1910 the number had reached nearly 2,000 and the Pacific Coast took alarm. This immigration has been effect-

ally stopped by the "Barred Zone" provision of the Immigration Act of 1917.

There are those who have little sympathy with the desperate struggle of the people of the Pacific Coast to keep out Oriental immigration, which on April 3rd, 1920, found expression in the following warning from the pen of the able editor of the *Scaremento Bee*—

"The Japanese birth rate in California is so high and their standards of living are so low that any immigration policy other than exclusion will result in the ultimate destruction of the American population in the West, if not in the United States. The objection to the Japanese is not racial antipathy but the knowledge that their economic advantages make it hopeless for the white race to compete with them."

This lack of sympathy is certainly not shared by us of the South. The race problem has cast its shadow over our progress and prosperity for many generations.

In this connection a quotation from one who is an authority on such questions may well give us food for thought: (Dr. E. A. Ross on causes of Race Superiority, "Making of America", Vol. 1, page 64):—

"The superiority of a race cannot be preserved without pride of blood and an uncompromising attitude toward the lower races. In Spanish-America the easy-

going and unfastidious Spaniard peopled the continent with half breeds. In North America, on the other hand, the white men have rarely mingled their blood with that of the Indian. The Spaniard absorbed the Indians, the English exterminated them. The net result is that North America from the Behring Sea to the Rio Grande is dedicated to the highest type of civilization; while for centuries the rest of our hemisphere will drag the ball and chain of hybridism.

\*\*\*“When peoples and races meet there is a silent struggle to determine which shall do the assimilating. The issue of this grapple turns not wholly on the relative excellence of their civilizations, but partly on the degree of faith each has in itself and its ideals.

\*\*\*“One question remains. Is the superior race able to survive all competition?

\*\*\*“In the presence of the plenty produced by its energy the superior race forms what the economists call a standard of comfort, and refuses to multiply save upon this plane.

“Now, this rising standard is a fatal weakness when a race comes to compete industrially with a capable race that multiplies on a lower plane. Suppose, for example, Asiatics flock to this country and, enjoying equal opportunities under our laws, learn our methods and compete actively with Americans. If their standard of life is only half as high, the Asiatic will marry before the American feels able to marry.

\*\*\*“Now, there are three possible results. First, the American may relinquish his standard of decency and begin to multiply as freely as the Asiatic. Second, the Asiatic may acquire the higher standard of the American. Thirdly, the standards may remain distinct and the replacement of Americans by Asiatics go on until the latter monopolize all industrial occupations, and the Americans shrink to a superior caste, but hopelessly beaten and displaced as a race. In other words, the American farm hand, mechanic and operative might wither away before the heavy influx of a prolific race from the Orient, just as in classic times the Latin husbandman vanished before the endless stream of slaves poured into Italy by her triumphant generals.

\*\*\*“For a case like this I can find no words so apt as race suicide. There is no bloodshed, no violence, no assault of the race that waxes upon the race that wanes. The higher race quietly eliminates itself rather than endure individually the bitter competition it has failed to ward off from itself by collective action.”

European Immigration grew in volume year by year until it reached 1,285,349 in the single year of 1908; and to day there are over 33,000,000 of such immigrants in America. The class of immigrants in the meantime had completely changed. Labor was needed to operate the mines and factories and to build the railways of the West,—cheap labor. It was literally corralled in the Southern and Southeastern sections of Europe and consisted generally of uneducated and unintelligent paupers,—including too often degenerates, imbeciles and criminals, in spite of the provisions of our labor laws prohibiting the admission of such.

These ignorant foreigners were herded into sections where they found conditions little better than at home. They could not speak our language nor understand our laws. Many of them only lived to accumulate enough to return to Europe again with some savings to take care of old age.

There are at least fourteen of these foreign

groups,—each of a different nationality and each numbering over 10,000—in the city of Chicago alone.

What effect has the introduction of this great pauper class of Southern Europe had upon the body politic, and what effect is it going to have? Mr. Bryce in his *American Commonwealth*, Vol. 1, Page 485, says:

“The foreign born and their offspring constituted in 1910 more than one-third of the total population of the country, and more than one-half of the white population of the northern and western states.

“In Massachusetts the birth rate of the foreign born is three times as large as that among the native born. Should immigration continue on a large scale the white population may in 1950 be three-fourths or more of foreign blood.

\*\*\*“When a stream of whitish hue receives a reddish stream with even one-third its volume it runs henceforth with water of an altered tint. Will something similar happen to the people of the United States?

“When ten or twelve millions of Italians, Poles and other new immigrants have intermarried with Americans will their offspring give evidence in physical and mental quality of a diverse element brought into the Nation, or will the social forces at work which are moulding all persons born in America end by obliterating all these differences?

\*\*\*“That there is ground for anxiety in the presence of a vast and growing multitude of men ignorant and liable to be misled, cannot be denied. \*\*While sharing this anxiety, I must add it is least felt by those who know the immigrant best.”

An examination of the records of our jails and insane asylums reveals the fact that the

percentage of the foreign born inmates in each of them is twice as great as the native born, while the per cent of the *children* of the foreign born is only about 1.4 times the native born. This certainly indicates some progress in the second generation towards higher standards, in this American environment.

But what are we going to do about European immigration in the future? Are we going to have barred zones or barred strains or are we going to depend upon the influence of American environment and education to transform whatever may come into the great melting pot from that continent, to fill them all with the true spirit of America, in the confident assurance that the result will not impair the great Nation which in our time it is our duty and our privilege to uphold?

With us in the South the race problem is no new thing, but it is not a problem of the immigrant. It is the problem of a race brought into our midst many generations ago. The first negro was imported into Virginia by a Dutch Man-of-War in 1619. Later on colonists from the Barbadoes and the West Indian Isles brought their negro slaves with them. Subsequently there grew up a slave trade from the West coast of Africa. The

negroes were sold at the North as well as at the South, but, owing to the rigors of the climate and to the unsuitable character of the work to be done there, slavery made little progress above Maryland.

When, however, it was proposed by some of the Southern colonies to abolish the slave trade in its early stages a vigorous protest to the English Government came from New England, whose trade in negroes was very lucrative. Jefferson incorporated a condemnation of the slave trade in the Declaration of Independence, but it was stricken out. Again in 1784 he reported a bill to Congress containing a clause that in all new territories "after the year 1800 there shall be neither slavery nor involuntary servitude", but it failed of passage.

Very few of the slaves brought into the United States were imported by Southern people. For instance the census of the City of Charleston for the year 1848, published in 1849, contains a complete list of all the vessels entering that port during the years 1804 to 1808, the years during which slave importation was permitted under the laws of the State and the Constitution of the United States. There were 202 of these vessels and

the number of slaves imported 39,075. Of these there were imported:

By the British .....	19,649	
By the French .....	1,378	21,027
<hr/>		
By the Citizens of Rhode Island.....	8,238	
By the Citizens of other non-Slave holding States .....	6,367	14,605
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By the Citizens of Slave holding States.....		3,443
		<hr/>
		39,075

These statistics are stated to have been gathered for Senator Smith of South Carolina who embodied them in a speech delivered before the United States Senate on the 8th of December 1920.

This is but one illustration of what took place at other ports and at other times. The fact is the problem is clearly one imposed upon the country by *both* sections of it, but its burden has been thrown upon *one* section only and its odium unjustly cast upon that section alone.



The race problem had become a vital one to the South long before the Civil War. With the advance of civilization the world over, it became generally recognized at the South that Slavery was a relic of the darker ages, but how to extricate themselves from the conditions to which they had been brought was beyond them. Nor was there a unanimous recognition amongst them of the necessity of its solution. And so they fought off the inevitable until it was finally solved for them by the Civil War. The negro was not only set free, but without any preparation he was raised to full citizenship and given the ballot. By the votes and the bayonets of the Anglo-Saxon of the North his fellow Anglo-Saxon of the South was placed under the heel of the negro slaves, many of whom the North had imported and sold to the South, until public sentiment everywhere revolted, and the southern white man was left alone to rescue his civilization as best he could. And the task has been no easy one, nor has it been lessened by the misguided sentimentalists who, intent upon securing the full political rights of the negro everywhere, would reduce the whole civilization of the South to his level. But we who live in the midst of the problem, in

many places surrounded by a negro population largely in excess of the whites, cannot look upon this problem in the same light. Amalgamation with the negro race is inconceivable to us, and its real participation in the Government at this time would certainly result in a degradation of our civilization and a menace to our democracy, which is equally inconceivable. We have in our hearts just as much sympathy for, and infinitely more understanding of, the negro than have those who are constantly criticising us from afar. We are of the same Anglo-Saxon race as are these critics. Our ancestors and theirs conquered this country, created the government under which we live, and established the civilization of which we are both a part. Their ancestors as well as ours, are responsible for the introduction of the negro into this country and some of their descendants are now enjoying the proceeds of his enslavement. Upon us has been thrust the problem of taking care of him while preserving our own race and our own civilization. We do not propose to lose or lower either the one or the other.

On the other hand, we owe much to those of the negro race who were brought here without their consent, and whose children find

themselves in the midst of conditions where liberty, as the Anglo-Saxon of America construes it, has become impracticable for them in certain sections of the South. At the same time they need not remain in a section where the exercise of their full citizenship would constitute so great a menace. If the fuller exercise of the franchise than that which we afford them will bring them greater happiness than that which they enjoy in our midst, they have but to cross the borders of one of the many states where their votes constitute little or no menace—in order to realize their political aspirations. In the meantime they are now enjoying in our midst opportunities for self-development, for the attainment of a higher civilization, and a greater real happiness than they could ever hope to attain in in any country of their own. The experiment of sending them to Liberia has proven this beyond question. Still we must not forget that we owe them everything possible short of the destruction of our race and our civilization. We owe them education and, in my judgment, we are discharging this obligation in no mean degree, for probably four-fifths of the cost of their education is contributed by the whites. We should protect

their lands and property and their rights to the pursuit of happiness, and the best sentiment of our people recognizes this obligation.

It is generally assumed that they are being deprived of the vote through restrictions upon their franchise contained in our laws. What actually nullifies the negro vote is the primary in which all political questions are settled before the election by the whites, who, in participating in the primary, join in an oath to support its results in the election.

Now, what of the future? We do not know. We can but pursue what we deem to be the only course consistent with civilization and white supremacy and trust that time will reveal some means of giving them a larger measure of liberty without the menace it would now occasion. As Henry Grady aptly put it many years ago:

“The problem of the South is to carry on within her body politic two separate races, equal in civil and political rights, and nearly equal in numbers. She must carry these races in peace, for discord would mean ruin. She must carry them separately, for assimilation means debasement. She must carry them in equal justice for to this she is pledged in honor and in gratitude. She must carry them even unto the end, for in human probability she will never be quit of either.”

(Address by Henry Grady—quoted by Bryce in “American Commonwealth”, Vol. 1, Page 560)

## EDUCATION.

However men differ as to inborn heredity as the basis of capacity, there is no difference of opinion as to the necessity for education.

But while all agree on the necessity of education there is the widest divergence of opinion as to what education consists of. A popular American writer of some force thus defines it:

(Robert Quillen in *Small Town Stuff*, Saturday Evening Post, Jan. 31, 1920)

“Proper education is preparation for usefulness, not the accumulation of miscellaneous knowledge.\*\* I wonder that it is not criminal to waste the energy of instructors in developing the minds of those whose highest ambitions is to become cultured gentlemen. \*\*In a world crying for service there is no neutrality. One must be useful or worthless. The worthless are an unjust burden on Society, and though they speak a dozen tongues and astonish us with their knowledge concerning inconsequential matters, they are but a travesty on education.

“There is no ignorance except uselessness. \*\*To do one necessary thing well and lack knowledge of other matters is a higher form of education than the profession of much information without knowledge of a way to make it useful in the service of mankind.”

But is that what education really means? Rousseau has a very different idea of it, which he very happily expresses thus (*Emile*, page 8):—

“All men being equal, their common vocation is *manhood*, and whoever is well trained for that cannot fulfil badly any vocation connected with it. To *live* is the trade I wish to teach him. On leaving my hands he will not, I grant, be a magistrate or priest or soldier, but he will be a *man* and all that a man ought to be he will be when occasion requires it.”

If there is any one distinctive characteristic of the American it is his self-reliance. He has learned to be a man ever since he came to America and fought his way to freedom and to the possession of this wonderful land of his, and I fancy he will never relinquish or impair that feature of education which contemplates the moulding his children in that form.

Many years ago Macaulay well said,—“The first business of a State is the education of its citizens”, and yet our national government has not yet given it any real place in its functions. The powers of the Federal Government are confined to such as are enumerated in the Constitution and such as are for the general welfare of the country. Education is not amongst the enumerated powers, and as yet it has not been classed as something essential, or apparently of any great importance, to the national welfare; such as are the improvements of rivers and harbors, the irrigation and drainage of lands, etc.

And so education in America has been permitted by the Federal Government to drift and develop amongst the States as they may severally determine. Indeed, a very long period elapsed before all of them even realized the necessity for any public education at all. We have now forty-eight systems of public education in America, no two of which are exactly alike. In some respects this is a very fortunate condition because we are having the same kind of experimentation in education as we had in government before we adopted the Constitution, and the value of it is shown in that most remarkable document. Without going into any examination or description of these State systems let us consider for a few moments some of the features which American education ought to include.

There are two sides to a man's nature, the one intellectual and the other moral. The place which a nation occupies in the civilized world depends upon both the intellect and the character of its people. Education therefore involves the development of the moral as well as the intellectual side of men. Too little attention has been given to the moral development of the pupil,—this character building,—which is even of greater importance than the

intellectual development.

In most of our schools and colleges it is simply permitted to drift under the guidance of the leading spirits amongst the students, and this is sometimes good and sometimes bad and seldom or never embodies the ideals upon which character should be founded.

Again, man is by nature a social animal. Society is a fundamental instinct with him, and therefore education contemplates the preparation of man for usefulness both to himself and to this society. As I recall it, when I graduated from college and went out into the world, as you are about to do, my ideas of life were very different from those which experience subsequently wrought out for me, and the ideas of my fellow students, I think, differed little from my own. We all had a lively sense of our duties and responsibilities to ourselves, but we had little thought of the responsibilities and duties we owed this country in whose life we were about to take an active part. President Wilson in a very charming little book says:—

“A man comes to himself after experiences of which he alone may be aware; when he has left off being wholly preoccupied with his own powers and interests, and with every petty plan that centers in himself; when he has cleared his eyes to see the world as it is, and his own true



place and function in it.''' (When a man comes to himself, page 1.)

And he goes on to say that some never come to themselves at all.

Enough stress has not been laid upon these higher purposes of education in our schools and colleges at a time when character and convictions are being formed. Along with the development of man's individual faculties he unquestionably should be taught that he is under obligation to apply a part of these faculties to the betterment of the society into which he is going; that he is expected to subject himself to the interests of his community when his community needs him, and that unless he does devote a proper part of those faculties which are being developed for him to public service of some kind he is not worthy to be called American.

In these days when strange doctrines are causing deep unrest everywhere it has become clearer to us that the ideals of Americanism, of American life, of American government, of American aspirations should be taught our youth when they are best prepared to absorb them and make them a purpose of their lives.

The effect of this teaching of ideals to the young has been shown to a remarkable degree

in Germany and Japan. In Germany the psychology of a whole people was changed in few decades, simply by imposing on the rising generation the collective idealism of her nationality. The fact that its immense power was misdirected does not lessen its significance.

It was to the elementary schools that the Emperor looked first for support in attempting to create the idealisms of German Nationalism; then to the higher schools, and lastly to the universities.

It was in exactly the same manner that Japan achieved the greatest miracle of modern civilization by re-creating herself in a generation and taking her place amongst the leading nations of the World

What have we ever done in the United States even to formulate American ideals, much less to teach them in our schools? Our lack of any national educational system and the great diversity of State and private systems have made it very difficult to carry any well defined ideals into our school life. But the time has surely come when a standard of American ideals ought to be worked out, and made a part of every school and college course. The spirit of America

should pervade every student body.

The influence of a collective ideal imposed on the minds of the young in the schools is incalculable. It brings into action the strongest emotions of which human nature is capable. Every pupil in the school or college endeavors to lift himself to the level of the ideal and the collective force of these endeavors is overwhelming.

I recall attending the Alumni banquet of Wofford College not many years ago, and being deeply impressed with the fact that every speaker referred to the life of Dr. Carlisle and the spirit with which he had filled the student body in his day,—a spirit which had come down from year to year as a part of the college life which every student cherished. And this Wofford spirit he undoubtedly carried out into life with him.

This concrete example might well be enlarged and the spirit,—not of Wofford, not of the University of North Carolina,—but of America be made to guide and govern every student body; being carried out into life by every young man as an inspiration to the achievement of great things by the Standard of American Ideals.

While the foundation of education should be laid in the development of character, and one should be first taught to be a man and a citizen of America; we must not lose sight of his further preparation to take a place in the complicated social organization into which his life is to be cast. What is to be done for the 80 per cent of the boys and girls who leave school at 14 years of age and go out into life, because they and their parents believe that our school system provides nothing further which would be of practical use to them? Something must be worked out in a broader way to give these boys and girls some technical education in the special fields into which they are to work.

There is a distinction between our theory of education and the European theory which America, in my judgment, will never abandon. We insist upon laying such a broad foundation that a boy is not irretrievably confined to one trade because he has no preparartion which can fit him for anything else in life. Mr. H. J. Rogers in his essay on education in "Making of America Vol. 3, page 305, thus describes the European System:—

"In continental Europe the average child is destined from infancy to follow the occupation of the father, and

it is only accident that throws him from this rut,. His training is highly specialized from his earliest years with this object in view, and while he becomes manually the most expert workman in the world in his own particular craft, he has lost sight of the relations of his trade to every other trade, and has never gained that power of initiative essential to the highest success of an individual or of a State.

“In the educational exhibits at the Paris Exposition of 1900 the feature which overshadowed all others was industrial education. Whether it came from England or France, or Hungary or Belgium, or Japan the object is to train the children of the masses for the trades and crafts which they will persue through life, and to minimize the time within which they can become wage earners and producers of wealth.”

It is said that the growth of the correspondence schools has been enormous in recent years and that the number of pupils enrolled in them at the present time exceeds considerably the total enrollment of all the technical colleges and technical schools of the United States. (Pritchett “*Making of America*”, Vol. 1, page 144). And these are private enterprises where “men and women are paying out money earned, in many cases, with difficulty and saved only after self-denial in order to acquire the scientific knowledge necessary to undersand the tools with which they are working and to make the most of these tools.” If, under such conditions, there is so great a demand for this form of technical education, is it not clear that it should be adopted as a

part of our public school education; enlarged, perfected and made free?

Our population is so scattered in comparison with European countries and our country covers so large an area that it is difficult to build on their experience. Correspondence Schools would certainly have the merit of being able to extend vocational instruction into the small towns and into the rural districts.

I propose to close this subject of "education" with a splendid conception of it, presented by Dr. Pritchett in his article on *The Educated man and The State* (*Making of America*, Vol. 1, page 244):—

\*\*\*"Until we bring into our college life and into our college training such influences as will strengthen the character as well as the intellect, until the time shall come that the educated man shall by reason of his training be not only more able than his untrained neighbor, but also more patriotic, more courageous, better informed concerning the service of the state, and more ready to take up its service—until such a spirit is a part of our system of higher education, that system will not have served the ends which education should serve in a free state and for a free people.

"In education it is not sufficient to be merely accurate. It is necessary to hold fast to the highest ideal. Once this ideal gains control of a student's life that student will undertake faithfully and courageously whatever duties lie before him, whether they concern his professional life, his social life, or his country's service."

## THE INFLUENCE OF WOMAN.

The progress of woman in civilization and her gradual emancipation from limitations created ages ago, and transmitted from generation to generation has been one of the most striking phenomena of the present time. Woman's entire education and social training down to the present day has been such as largely to shut off the peculiar value of her mind from the service of civilization. The attitude of man has been that the only duty which woman owes to the world is that which she owes to the family. Her deeper, finer instincts and impulses have been prevented from influencing the world at large except through the channel of her husband or children.

Not so many years ago the progress of industry and business forced her out of her narrow environment, and she began to seek a place in the affairs of the world outside of her home. She soon found many places that she could fill as well, and some she could fill better than man. The cry that arose over this invasion of the field which man imagined was exclusively his own was the same cry that has been raised with each step forward in the pro-

gress of civilization,—with each change in the habits and customs we inherit.

The conditions which woman found to exist in this larger world in which she has now begun to take a definite part have aroused in her a spirit of resentment and a determination to work out a change—indeed to work out many changes.

As is admirably expressed by Dr. Munsterberg, all progress in civilization is the result of the alternating forces of idealism and realism. The realist sees the world as it is; the idealist as it ought to be. The realist accepts that which is as final, the idealist seeks to change it to what it ought to be. The realist seeks to understand the world, the idealist seeks to ennoble it.

“Plato”, says Goethe, “penetrates the world to fill it with his own ideals; he does not wish to analyze the world, but to bring it into harmony with the good and the true and the beautiful. Aristotle, however, approaches the world like a master builder; he examines the ground and brings material together and arranges it to build up his solid Pyramid.”

Now, woman is by nature an idealist. Her field of influence has been heretofore almost exclusively the home, and she has been compelled to work indirectly by inspiring man.



The influence she has exerted upon the mind of the young and the part she has thus played in transmitting her ideals for practical expression has never been appreciated or even realized. But it has been one of the determining factors of history. As one writer graphically puts it, (Kidd, "Science of Power" Page 228):—

"The effect of the emotion of the ideal transmitted to the young of the rising generation by woman can never after be entirely effaced in the individual. It is greater, deeper, and more enduring than the effect of any system whatever of subsequent education. Where it is combined with the effects of such subsequent education as it is in the systems of modern Germany and Japan, it becomes the most powerful element in character formation."

Mr. Kidd goes on to say:—

"It is not in the fighting male of the race; it is in the woman that we have the future center of power in civilization."

\*\*\*"The secret of man's progress is that he has gradually released into the service of civilization, ever at higher and higher levels, all the stern qualities of the chase, and the fight bred in him through long ages of primitive struggle. But when the emotion of the ideal in woman, similarly bred in her through the long stages of our primitive past, is in like manner released into the service of civilization, the effect will transcend the effect of man's qualities."

However we may feel about the remarkable conclusions of Mr. Kidd as to the place woman is destined to take in the future march

of civilization, we cannot blind ourselves to the elevating influences she has had on the country even in the confined sphere she occupied until recently, and the enormous influence for good she has already exerted in the new fields into which she has been projected.

In the recent World War she furnished the dynamics which carried the country into the conflict with such unanimity and enthusiasm. Instinctively she knew that the future of her race was at stake even more than the present. Her idealism expressed untiringly in word and deed found its way with wondrous effect into the hearts of men, adding a flaming fire to their grim determination to protect their own.

## THE INFLUENCE OF RELIGION

One of the motives which inspired the original colonization of a large part of the Atlantic seaboard was religious intolerance in Europe. The practice of one's religion in accordance with one's faith without the interference of government is one of the cardinal principals of our Democracy. With the exception of the Jews there are no large bodies of our people who are not of some denomination of the Christian faith.

In all the history of the world nothing has ever come to mankind comparable to the Christian religion. Nothing has influenced his civilization nor brought so much real happiness into his life.

The gospel of Christ, starting in an insignificant province of the great Roman Empire amongst a despised people, preached by a small body of ignorant fisherman, calling for unselfish service and self-sacrifice, at a time when pagan worship was entrenched at Rome, came to mankind as the greatest revelation of all the ages. As Freeman in his "Periods of European History," page 67, graphically puts it,—

"The miracle of miracles, greater than dried up seas and cloven rocks, greater than the dead rising again to life, was when the Augustus on his throne, Pontiff of the Gods of Rome, himself a God to the subjects of Rome, bent himself to become a worshipper of a crucified provincial of his Empire."

This personal faith in a personal Saviour; this belief in the love of God,—in the reality of Heaven, brought to all classes,—the poor and ignorant, as well as the rich and educated—a comfort and consolation, a confidence and fearlessness which mankind had never known before. It lifted him at once to a higher place

in civilization. Its progress was all the more remarkable because it insisted upon the entire abandonment of the national worship not as an inferior religion, but as an actual and particularly, heinous sin. It was in fact a vast organized defiance of the law because the pagan religion was a part of the law. The very calmness, and even joy, with which the Christian martyrs went to their deaths made of "sacrifice" a living force that in time reached, as we have seen, even the Augustus on his throne. And down through the ages it has come to us, scarred and torn at times as it passed through evil days and fell into evil hands, but ever dispelling clouds which gathered to obscure its radiance and shedding its beacon light upon the pathway of humanity to lighten its way to a higher and better world.

There has never been a time when America had greater need of the spiritual aid of religion to hold it to its highest ideals; to suppress temptations to self-aggrandizement at the expense of a suffering world; to bring conflicting interests within itself into harmony with justice and fairplay. It can never be done if the spirit of the jungle or of the pagan is permitted to prevail. Through patience,

through forbearance, through fortitude, through faith in humanity, through a sense of fair dealing, and finally through a realization that the highest happiness comes to man in service, and, if need be, in sacrifice, we may preserve a strong and united America. Anything short of this will be unworthy of our splendid heritage.



2

POLITICAL AMERICA





## POLITICAL AMERICA.

Centuries before Christ Aristotle, writing of government, classified it into three forms,—Monarchy, Aristocracy, and Democracy, or the rule of the one, the few and the many. He outlined a cycle through which every State of long life was apt to pass, beginning with the monarch, who would degenerate at some period into the tyrant and be overthrown, to be succeeded by the princely leaders of the revolt, who would set up an aristocracy. This in turn would degenerate into a selfish oligarchy, a class bent upon serving their own interests, and the mass of the people would rise and set up a government of the many, which in turn would degenerate into Anarchy and be brought back to reason and order by some autocrat, and the cycle would be complete.

Curiously enough to Aristotle was entrusted the education and development of the great Conqueror, Alexander, who was to complete the cycle in his country and in his day, putting an end to the first successful efforts of democracy in all history.

Redpath very poetically says of Greece:

“Freedom had her birth among the hills of Greece. Here it was that political rights were first debated and the duties of the government limited by statute. With the growth of the Grecian Commonwealth popular consent became more and more the necessary antecedent of action. The voice of the new born fact called political freedom cried in the streets. There was a clamor not wise but loud. It was as a sound in the treetops,—the voice of democracy,—a voice never to be stilled unto the shores of time and the ends of the earth.”

And yet the marvelous contributions which Greece made to civilization in Literature, Philosophy, Art and Science,—contributions which have rarely been surpassed in all history—did not by any means extend in like measure to Government; for, despite this tribute of Redpath, her brief and brilliant experimentation with democracy laid little foundation upon which future generations could build.

She gave mankind a vivid vision of its possibilities, but under the strong arm of Alexander all trace of democracy disappeared not only from Greece but also from the face of the earth for many centuries; and the democracy which in time returned and which we enjoy today has little resemblance to that which Aristotle knew or had in mind.

History has assigned to the Roman the credit of working out the first system of

government and laws which made any lasting impression upon civilization. The Justinian Code is indeed the foundation upon which the present laws of most of the nations of Europe rest. It remained for the Anglo-Saxon, however, to lay a foundation of representative democracy which was to endure and to spread until it found a place in every part of the globe—a foundation upon which governments of the people, by the people and for the people have been constructed in various forms with repeated success. And to day the strongest and wealthiest nations of the earth are in fact Representative Democracies.

Let us recall the birth of this Democracy in America. The colonists who settled that part of North America which became the United States of America did not at first form similar governments. Some came for adventure and were supplied by those who sent them with such forms of government as suited their purposes. Others came to worship without persecution, and naturally adopted the Anglo-Saxon system of government in so far as it was adaptable to the new conditions they were compelled to face. For instance, the Colony of Virginia was sent out by "the London Company", to be governed by a su-

perior Council residing in England, and an inferior Council residing in the Colony; both councils to be chosen by direction of the King.

The Carolina Colonists were sent out by the Lords Proprietors to be governed under the provisions of the "fundamental constitution" prepared by the Philosopher Locke with its Landgraves and Caciques.

On the other hand, the Colonists of New England, Maryland and Pennsylvania promptly established governments modeled upon that of Great Britain, with a legislature consisting of two houses elected by the colonists, and a governor, who, with his council, was sent out from England; (except in the colonies of Connecticut and Rhode Island where the governors were elected by the colonists themselves.)

With the class of colonies first referred to the original form of government in every case was found to be impracticable, and each colony in time adopted the English form of government, modified by local conditions.

The Dutch who settled New Amsterdam and the Swedes who settled Delaware were subsequently overcome by the English, who promptly established English models of government.

All went fairly well and with comparatively little friction between the colonies and Great Britain until King George the Third came to the throne in 1760, and inspired a series of Proclamations and Acts of Parliament which stirred the colonies to their depths. It began with the proclamation of 1763 restricting settlement to the east of the Alleghanies and placing limitations upon trade with the Indians.

This was followed by the Sugar Act which was passed in 1764, frankly stating "it is just and necessary that a revenue be raised in America". Friction between the General Assemblies of the Colonies and the administrative officers sent out by the Crown became more and more pronounced, and finally the Stamp Act of 1765 brought the discontent to a head. The Colonies unanimously resolved to be free and united in a Declaration which propounded a faith and created an inspiration that won them their independence.

"We hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men deriving their just powers from the consent of the governed."

To understand the Declaration of Independence and the Constitution which was adopted twelve years later, we must remember that the colonists had been close to nature for many years, accustomed to relying upon their individual strength and resources. Many abstract theories regarding human rights, strengthened by the writings of French authors of the day, and particularly by those of Montesquieu in his "Spirit of the Laws", had taken a firm hold upon minds already prepared by their lives to welcome them. Jefferson who drew the Declaration was particularly impressed with these theories which were quite in conflict with those prevalent in most of the countries of Europe, including England, at that time. They were, however, in the minds and mouths of a great number of the educated people of the Colonies and especially of the delegates to the Convention.

The genius of Jefferson was shown in the selection of what was to be said, and in the almost inspired language in which he expressed it. The effect upon the people of the Colonies was instantaneous. It was like a trumpet call to freedom. It did not deal with the practical problems of government, it appealed to an instinct which had become more and

more developed among the Colonists, and stirred them to a pitch of enthusiasm which in the end enabled them to win their independence against seemingly overwhelming odds.

“All men are created equal!” What had these signers of the Declaration in mind when they used this expression? Men are not born with intellects and bodies which are in any sense equal.

They certainly did not mean, therefore, that all men are created with equal capacity. Nor indeed could they have meant that all men are in fact created with equal opportunities in life; for that very declaration was a protest against the existing inequalities of the American colonists under the British Government. What they did mean was that all men of right should from their birth enjoy equal opportunities for the full development of those faculties with which they have been endowed; and, inasmuch as men must associate, they should have equal voices in the creation of laws under which this is to be done and equal protection of these laws. There are strange misconceptions of what this Declaration was intended to mean, which have caused much confusion in the minds of those who do <sup>not</sup> stop to analyze it.

In like manner you will find that there is much confusion and divergence of opinion upon what constitutes "liberty". The recent war has emphasized these differences of opinion. With the upheavals of established governments and the recreation of States and Nations in Europe, many strange and confused conceptions of liberty have taken hold upon a great number of people; not entirely new to us of this day and generation, because in some shape and to some degree these conceptions have been agitating the discontented peoples of Europe for many years. Indeed, they have found lodgment among many in this country who have not met here that happiness which they had expected to find associated with American liberty.

There are three directions which this distorted interpretation of liberty has taken, and it may be well to say a few words about them. A practical understanding of their basic principles may be of some aid to you. I speak of the Socialist, the Anarchist and the Syndicalist.

The Prophet of the Socialist, to whom even those of today look for light, is Carl Marx, who lived about the middle of the last cen-



tury. The revolution of the middle classes against the nobility which had taken place in France was, according to him, bound to be followed sooner or later by the revolution of the proletariat or lowest classes against the middle classes and the establishment of the Socialist Commonwealth. Modern industry was so multiplying the industrial worker and so oppressing him that a clash was bound to ensue, resulting in revolution and a dictatorship of the proletariat, as a preliminary step to the government ownership of all property and management of all industry, but under the control of the lower classes who would constitute the majority of the people. To use his own words in his manifesto:—

“The immediate aim of the Communists is the conquest of political power by the proletariat. The theory of the Communists may be summed up in the single sentence: abolition of private property.

\*\*\*“The proletariat will use its political supremacy to wrest, by degrees, all capital from private owners, to centralize all instruments of production in the hands of the State, i. e., of the proletariat organized as the ruling class.

\*\*\*“The Communists openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.”

While the orthodox Socialist believes or pretends to believe that the individual will become free if the State becomes the sole Capitalist under the control of the proletariat, the Anarchist Communist fears that the State might merely inherit the tyrannical propensities of the private capitalist; accordingly he seeks the complete abolition of the State.

We must not suppose that all anarchists are of the bomb and dynamite variety, or even follow the father of anarchy, Bakunin, to his final conclusions,

The most prominent writer on the subject of anarchy is Kropotkin. He appeals very strongly to the idealistic, and has unfortunately found many followers, especially among students who have not had the opportunity of seeing the complexities of a social organization such as exists in the present day. Kropotkin in his writings relies on the possibility of making work pleasant. He holds that in such a community as he foresees practically every one will prefer work to idleness, because work will not involve over-work or slavery, but will be merely a pleasant activity for certain hours of the day, giving a man an outlet for his spontaneous constructive impulses. He would remove compulsion;—

would have no law and no government *exercising force*, but he would still have acts of the community to spring from concerted thought and universal consent, but not from enforced submission of even the small minority.

No one who has any practical knowledge of every day life, even to a very limited degree could fail to see the utter folly of such a dream but when men are miserable and suffering from want and oppression they are ready to listen to any remedy which might possibly bring about a change. No change can make matters worse for them, and any change whatever is welcome. They are ready for any rallying cry, and in their misery prepared to resort to any means of accomplishing their purpose.

Syndicalism is the extreme development of Industrial Trade Unionism. Its methods begin with the strike which is used not for the purpose of securing better wages or better conditions, but for the purpose of agitation until through a general strike industry shall be paralyzed.

While Socialism would substitute ownership by everybody (with the proletariat in control), and Anarchism by nobody, Syndi-

calism aims at ownership by Organized Labor.

“Syndicalism stands for what is known as industrial unionism as opposed to craft unionism. The I. W. W. stands for industrial unionism, whereas the American Federation of Labor stands for craft unionism. There is but one bargain the I. W. W. will make with the employing class—complete surrender of all control of industry to the organized workers.

What then is Bolshevism? It is in reality the autocracy of a tyrant under the guise of an oligarchy composed of the lower working classes to whom the franchise is practically confined. It is the practical result of Socialism, Anarchism or Syndicalism, the road to which is proclaimed to be necessarily through some dictatorship. Marx announces that this dictatorship is but a phase through which socialism will pass. Lenine does not see the necessity of passing through it. Nor is it likely that any dictator will do so.

John Spargo, the well known Socialist, in reviewing Bolshevism as revealed in the words and deeds of Lenine himself, concludes as follows:

“This, then, is Bolshevism as it is seen and described by the acknowledged intellectual and political leader of the Bolsheviki, Nikolai Lenine.

\*\*\*“Bolshevism is revealed in all its reactionary repulsiveness as something between which and absolute, individual dictatorial power there is absolutely no contradiction in principle.”

\*\*\*“Obviously, there is nothing in the principle of an absolute individual dictatorship which is in contradiction to the Bolshevik ideals, there can be no Bolshevik principle which necessarily requires for its realization the ending of such dictatorship. Why, therefore, may it not be continued indefinitely?”

If we examine what lies at the root of all these doctrines, we find it is discontent with the inequalities of conditions which have always existed and which now exist in every form of government. That such inequalities do exist,—and I do not refer to such as might naturally occur, but those which are artificially created by reason of, or in consequence of the laws and government under which men live,—is unquestioned. It was the struggle to reduce these inequalities which brought about Democracy; but the remedies proposed by the Socialist, or the Anarchist or the Syndicalist, if adopted, could only bring about very speedily that cycle of which Aristotle wrote so many centuries ago, after first plunging the social organization where it is tried, into an orgy of bloodshed and suffering

such as invariably has followed it wherever attempted. At the same time this agitation continually reminds us, as it ought to remind us, that our Democracy yet has many steps to go, and urges us on towards some more practical solution of the hardships and injustices of many of our inequalities.

The organization of industry has proceeded to such lengths that the working man in industry necessarily has become just as much subject to the organization as the citizen is subject to the government of his country. He can no longer leave one employer and go to another when his wages or conditions of labor are unsatisfactory. He must remedy them within the industry just as the citizen remedies any political inequality in the State. It is for that reason that labor is demanding a practical voice in the settlement of more and more questions concerning the conduct of the industry, and it is becoming clearer and clearer to the country that such demands must be recognized.

Some employers content themselves with providing for working conditions and the living conditions which in *their* judgment are best for the laborer, and further with the giving of bonuses and other proofs of generosity. They

do not recognize the fundamental fact that it is not so much the actual living condition or working conditions, or even compensation for which the laborer is contending as the right to have a voice in the determination of them. The extent to which this right can be granted without destroying the very existence of the industry is the problem we have to solve. We are competing not within ourselves, but against the World, and there must be some regard for efficiency. There are some limitations which must be fixed upon this democracy of industry just as there are limitations upon democracy in government, and it is these limitations which are pressing upon us more and more heavily day by day.

The Commonwealth is made up of many others besides those engaged in these great industries, and their welfare is equally involved with that of such employers and employees. It is not merely the problem of adjusting differences and relationships in particular industries so as to bring about greater prosperity and contentment in those industries. These adjustments must also be such as will not work a hardship upon the great mass of the people who are not directly employed in any particular industry or group of industries under consideration.

But however one may feel about the short comings of our existing government, the practicability of securing greater freedom and greater happiness under Socialism, Anarchism or Syndicalism would seem to be too remote for any one save dreamers with nothing to lose and sufferers with everything to gain.

Now let us contrast "liberty" as we interpret it and provide for it in our American Constitution, with these radical concepts. Of course a government in which *all* people living under it could be made happy is entirely altruistic; but what the founders of the Republic sought in the Constitution was a government which would give the largest opportunity for individual development and freedom of action or expression consistent with a like freedom of action on the part of one's associates; and to that end would enable the whole social organization to so develop and function as to give the greatest happiness to the largest number possible.

"Liberty" first contemplates the impulse of self-development in man. But man is by instinct also gregarious, and that instinct is fundamental. Liberty constitutes the adjustment of these two fundamental instincts so as to result in the highest development of both the



individual man and the society in which he lives to the end that the widest happiness may result. Liberty with us is the right to have a voice and a vote in the making of those laws by which we shall be governed and in the selecting of those who shall interpret and administer these laws; the right to an equal protection of government created under the laws thus made, and the right to an equal opportunity for self-development through education. It has been our effort to govern only where government is necessary, leaving to men the opportunity of working out their own salvations within natural limitations, but the complexities of modern civilization have made this more and more difficult and impracticable.

Bryce commenting on this says:

“The doctrine of ‘Laissez faire’, or non-interference by the government with the citizen, has two foundations, which may be called the sentimental and the rational. The sentimental ground is the desire of the individual to be let alone, to do as he pleases, indulge his impulses, follow out his projects. The rational ground is the principle that the desires and impulses of men when left to themselves are more likely to work out a happy result for the community than will be attained by the State controlling and directing those desires and impulses.

\*\*“Individualism is no longer threatened by arbitrary Kings, but the power of groups of men, acting in combination, has developed with unexpected strength in unexpected ways, overshadowing individuals and even communities, and showing that the very freedom

of association which men sought to secure by law when they were threatened by the violence of potentates may, under the shelter of the law, ripen into a new form of tyranny.

\*\*\*“The Americans conceive themselves to be devoted to laissez faire in principle, but they are growing more and more accustomed to carry the action of government into ever-widening fields.

\*\*\*“The desire to have things done which a public authority can most quickly do, and the cost of which is less felt by each man because it comes out of the public revenue, to which he is only one of many contributors have made the field of governmental action almost as wide as it is in Europe.”

Let us briefly examine the foundation and structure of our government with a view of arriving at a better understanding of the liberty we enjoy under it and of the manner in which we may best preserve what is good in it and eliminate what is bad from it.

We have seen that each of the Colonies before 1776 had adopted governments patterned on the English government modified by local conditions. All acts of their legislative bodies were subject to such limitations as might be imposed by the British Crown or Parliament. When the Colonists threw off the British yoke it became necessary to frame *constitutions* which should fix limitations upon legislatures, governors and judges. Each of the Colonies, (except Georgia), adopted a separate constitution. It was nearly ten years later that the

convention was called to amend the Articles of Federation which had been adopted in 1781. The delegates to this convention were men of remarkable capacity; thoroughly experienced in the operation of the State Governments under their respective constitutions, and well aware of the weakness of the Federation. They promptly reached the conclusion that a continuation of any kind of Federation was impracticable, and that a real union was necessary. The Constitution of the United States was the result. It was not a new and untried system of government, brought into being by sudden inspiration. That it proved to be so marvelous an instrument is due largely to the fact that there was actual experience upon which to build, and it was the product of men who added to their experience the finest mentality and the highest patriotism.

It was necessary to frame an instrument which not merely a majority of the States but every State would be willing to adopt, and the States very widely differed in their industries and in their social lives. Agriculture was the principal industry of the South; manufacturer and commerce of the North. Slavery existed at the South; it had been found impracticable at the North. It was only a realization of the

absolute necessity of creating a real Union in which authority and power would be conferred upon a central government, capable of protecting all the States from dangers which were beginning to press upon them; capable of regulating commerce and intercourse amongst themselves without frequent strife and conflict; capable of enabling a further exploitation and development of the vast territory to the West of all of them in harmony and in union with themselves, that enabled the framers of the Constitution to accomplish the purpose for which they gathered and to accomplish it in so marveolus a manner.

We must remember that this union of thirteen States with 3,000,000 of peoples, occupying a narrow strip on the Atlantic has multiplied over thirty fold; it has spread westward to the limits of the continent; it has taken into its fold more than three times as many States as originally composed it; it has developed the resources of the country to the extent of making it the richest nation on earth; it has incorporated and absorbed millions of people of other nationalities of the earth; it has survived the shock of an internal war of tremendous proportions and has risen from the struggle stronger and more united than ever; it has twice turned

from its peaceful pursuits to war with such force and effect as on the last occasion to win from the Prime Minister of England, Lloyd George, the following encomium:—

“I will tell you what I feel about America. She came into the war at a time when the need for her coming was most urgent. Her coming was like an avalanche. The world has never seen anything like it. Her great army of all ranks gave a service that no man would in 1917 have believed possible. The effort of her navy was beyond praise. \*\*Indeed, the great American people put every ounce of their invincible might into the war 3,000 miles away—a war on issues at first strange to them and offering no direct or immediate menace to their interests. \*\*Even if they never gave anything more than they have already given they would leave Great Britain and the whole of Europe under a debt of gratitude that can never be repaid.”

To frame a Constitution, which, with few amendments, should prove equal to such expansion and achievement was certainly the work of extraordinary genius. But as great as were the men who framed the Constitution they were not greater than the remarkable man whose genius breathed into it the breath of life by his interpretations of its provisions over a series of years when the Union itself was struggling for its very existence. Byrce has this to say of Chief Justice Marshall:—

“It is scarcely an exaggeration to call him, as an eminent American jurist has done, a second maker of the

Constitution. \*\*Marshall was, of course, only one among seven judges, but his majestic intellect and the elevation of his character gave him such an ascendancy, that he found himself only once in a minority on any constitutional question. \*\*He grasped with extraordinary force and clearness the cardinal idea that the creation of a national government implies the grant of all such subsidiary powers as are requisite to the effectuation of its main powers and purposes, but he developed and applied this idea with so much prudence and sobriety that the Constitution seemed not so much to rise under his hands to its full stature, as to be gradually unveiled by him till it stood revealed in the harmonious perfection of the form which its framers had designed. That admirable flexibility and capacity for growth which characterized it beyond all other rigid or supreme constitutions, is largely due to him, yet not more to his courage than to his caution.''

The Constitution was remarkable not only in what it expressed but in what it left unexpressed, a notable example of which is the failure to refer in any way to the power of the State to withdraw at its will. If any provision whatever had been written in the Constitution it undoubtedly would have been one for the withdrawal of any State at its own discretion, but the very fact that in the future such withdrawal might not only be found to be undesirable, but disastrous to the very life of the Nation undoubtedly impelled those who framed the constitution to leave out all reference to it in the hope that such a right might never be invoked.

Charles Francis Adams said in one of his speeches,—

“As late as 1825 not one man out of twenty-five in New England, nor one man out of one hundred in the Southern States doubted the right of a State to secede at will”—

But he goes on to say that with the growth of the Nation and the growth of its necessities; with the addition of State after State which had no part in the original compact; with the development of a national spirit which overshadowed a consideration of love for the units composing the United States; with a profound feeling that any separation or division of these States would result in discontent and endless strife and conflict, the right of secession was lost sight of and completely submerged in the necessity for the preservation of the Union.

Whatever rights may have existed in the early stages of the Union had lapsed from disuse at a period when it could be exercised without resulting in disaster to the whole Union. The West had little sympathy with a compact in which it had no part. It joined the North in the determination that the Union should not be broken, and that slavery should no longer be tolerated within the States. Dr. Farrand, Professor of History at Yale, in his “Development of the United States”, says:

“It is idle to discuss whether the Civil War was fought on account of slavery or on account of secession. Theoretically, and so explicitly declared by Lincoln, the war was fought to preserve the Union. But secession, which had been an abstract right was put into actual practice because of slavery. It is not too much to say that the Southerners were sincerely actuated by high motives just as were the Northerners. In the assertion of their rights they believed that they were maintaining the principles of liberty which had been established in 1776, and it seems impossible to exaggerate either their devotion or the sacrifices they made in what is sometimes still referred to as “The lost Cause.”

And now that it is all over and the bitterness of the strife has long since passed away there are few at the South who will be found to regret that the Union was saved and that slavery was abolished.

The war settled the right of secession, and made us a Nation, but it did not diminish in any way the spirit of the advocates of State-rights in so far as self-government not inconsistent with the general welfare of the nation is concerned. The conflict still goes on between those who would strengthen the central authority at the expense of the State-rights and local self-government, and those who would hold the power of central authority as close as possible to the original purposes for which it was formed, merely adapting it to the complex conditions which have since arisen. At first the jealousy



of the States made the danger of disintegration and separation the greater, and that danger proved real in the war of Secession. In recent years the tendency has been towards concentration and our two recent wars have accelerated this tendency.

The recent Prohibition Amendment to the Constitution is an illustration of how far this tendency has carried the people of the country. The Suffrage Amendment which only lacks the approval of one State to make it effective is another. If there was one thing of which the States were jealous it was their control of the qualifications upon the exercise of the franchise by their citizens; but the determination to give the negro the ballot impelled the North and West to unite in adopting the fifteenth amendment; and it has become clear that the Federal Government may limit the restrictions upon the vote both on national and state issues and proposes to exercise it when the occasion demands.

As to the dangers to be apprehended from this tendency to centralization, Lord Bryce, an observer of keen acumen has this to say:—

“It is nevertheless impossible to ignore the growing strength of the centripetal and unifying forces. \*\*\*State patriotism, State rivalry, State vanity, are no doubt still conspicuous, yet the political interests felt in the State

governments is slighter than it was before the civil war, while national patriotism has become warmer and more pervasive. \*\*In the United States all the elements of a national feeling are present, race, language, literature. pride in past achievements, uniformity of political habits and ideas; and this national feeling which unifies the people is reinforced by an immensely strong material interest in the maintenance of a single government over the breadth of the continent. It may therefore be concluded that while there is no present likelihood of change from a Federal to a consolidated republic, and while the existing legal rights and functions of the several States may remain undiminished for many years to come, the importance of the States will decline as the majesty and authority of the National Government increase."

## ENGLISH vs. AMERICAN DEMOCRACY.

There are some very marked differences between the Governments of the two great Anglo-Saxon Democracies, which it may be interesting and profitable to keep in mind.

In the first place our Congressmen are elected from the districts in which they reside, and our Representatives and State Senators are elected from the Counties or townships in which they live. Naturally they carry with them to Congress or to the State Legislature a feeling of representing the particular sections from which they come.

“A candidate for election to the House of Commons might stand for any constituency and consider himself a representative of all the people. Owing to peculiar conditions in America a member of a legislative body is elected from the district in which he lives and represents primarily the interests of his own immediate section. Accordingly representation means one thing in England, and quite another thing in America.”

Again, our Constitutions, both Federal and State, furnish an effective protection to minorities against the sudden heat and passion of majorities, based too often upon misinformation

or misapprehension, and give time for calm consideration without blocking the deliberate will of the majority, except where fundamental rights as enumerated in the Constitutions are involved. Great Britain has no Constitution to restrain her Parliament. Only custom and tradition way do so.

Again, there is a complete separation of the three Departments of Government,—the Executive, the Legislative and the Judicial, in America. In Great Britain the Prime Minister is not only the executive head of the government, but he is the leader of the majority of the House of Commons charged with securing the enactment of laws which his party deems advisable, any failure in which at once deprives him of his executive powers.

Again, there is a far wider distribution of local self-government in America than in Great Britain, which, indeed, the extent of the Country makes essential.

Our Central Government is only charged with our foreign relations; with the regulation of commerce amongst the States and with foreign nations; and with such matters as effect the general welfare of the nation; while each of our forty-eight states is charged with the govern-

ment of its peoples in their relationship amongst themselves.

Each State is divided into counties or townships, and to some extent the peoples of these counties or townships regulate their own local affairs. Charters are secured for cities, towns and even villages whereby in many of the relationships of life regulations and laws are entrusted to those included within the limited areas comprising such cities, towns or villages. In 1910 there were in the United States nearly eight hundred of these cities and towns with a population exceeding Eight thousand (8,000).

As the years go on there are three classes of governments which are constantly competing for power:—the Federal, the State and the Municipal. I have spoken of the relationship of the first two, and the present tendency towards a greater concentration of power in the Federal Government. Within the States there is the same struggle continually going on between their State governments and those of the municipalities within their borders. There has been a constantly increasing movement from the country to the city and hence a growing importance to municipal government.

One of the questions which is constantly agitating the public mind in these municipali-

ties is government ownership and operation of public utilities.

Government service tends to destroy initiative and constructive effort. It develops the critical faculties and the habit of shirking responsibility. Tenure of office is not by any means dependent solely, nor even primarily, upon efficient service. Political acumen or political pull count usually far more than efficiency. This impairs the service and soon the dread of incurring responsibilities and criticism undermines the impulse to constructive initiative. Of course there are notable exceptions but they are emphatically exceptions, and the chances of securing efficiency in government are but a small percentage of those to be found in private enterprises. Moreover democracy is founded upon private industry and the home life, and public enterprise should be confined as closely as possible to government purposes. Quasi public service may be regulated, especially where a monopoly is involved, so as to limit the profits and at least share them with the public. But both efficiency and progress imperatively demand private service wherever practicable without detriment to the public welfare.

One of the most serious and difficult problems which have arisen under our form of government

is the nomination of candidates for office particularly in our rapidly growing cities.

No one can review our history without being struck with the remarkable character and caliber of the men participating in public life during the early periods of the Republic. The tremendous struggle for independence and liberty had brought to the surface men of remarkable ability in every colony. The need for the best men in that sense was recognized everywhere, and the magnitude of the purpose which was then foremost in the minds of every one drew such men into public life and held them there.

As the question of government became more settled and the development of the country opened up other avenues of achievement which fired the imagination and ambitions of men of capacity, drawing many of them into it, the field was left open to men of inferior type, and the real test of our Democracy began.

There soon developed two evils which grew to such proportions as not only to cast great discredit upon our form of government, but almost to wreck it. These were the Boss and the Ring. The Boss was a petty King, and generally a petty tyrant, and during his reign was an autocrat. To maintain his power, he too often resorted to every vice, immorality

and lawlessness which he could "get away with", and which would add to his strength either pecuniarily or politically.

The Ring in like manner was the worst form of oligarchy, united simply for a division of the spoils. The Ring merely multiplied the evils which usually followed in the wake of the Boss.

In order to hold their power these "American Institutions" had to capture and control the machinery of nomination, which they succeeded in doing quite effectively through the Conventions of the parties. In an effort to eradicate this evil growth upon the integrity of the government, the Primary had to be adopted in one state after another until it is now in use in every one of them. While the Primary has not accomplished all that its advocates hoped and proclaimed for it,—as there still exists some Bosses and some Rings,—unquestionably it has been a tremendous step forward in our national life. We have been divided into two great parties, and if the nomination of candidates for these parties is left to petty Kings or petty oligarchies, then our Democracy becomes a mockery. Many assert that the result of the Primary has been to lower the quality of the men in public life, but it is very questionable whether such claims are well founded, even if



the reference be only to mental caliber. There seems to be little doubt whatever that it has resulted in a great improvement in the moral caliber of these men. We hear of less and less corruption. Even the investigation which Congress has been instituting into the conduct of the late war in which so many billions were expended, reveals an enormous progress in this respect over corruption existing in the Spanish War, some twenty odd years ago.

But after all the fundamental problem in a democracy lies deeper even than getting the best men out into the public service. The first purpose of a democracy is to make its whole body politic bigger and better men, to educate them to an active and intelligent participation in its affairs; to develop the intellect and character of the entire mass so as to raise them all to a higher level and then to bring to the service of government the best available men of that mass. The best men of a poorly educated and highly immoral mass are a sorry substitute for even the average representatives of a well educated mass of men of fine character. The one is fundamental, the other important but incidental.

The first question is, therefore, does the primary develop the individual as a unit in the body politic? Is it an educative process which

tends to broaden and develop the mass of the people? Then is it a process whereby the voice of the people is given an opportunity for free expression.

We must recognize the fact that in the long course of history, and until the last two centuries no government save that of the Monarch has ever lasted for any long period of years. Other governments have come and gone, running brief and at times brilliant courses, but invariably reverting to the monarchic form.

In modern times, however, there has been a wider education of the masses of the people. They have come to learn and to understand something of what liberty means. They have tasted of real participation of the people in the Government. They have found it could be made practicable, stable and strong; and democracy in its modern form, as represented by the English or American system, has spread from Nation to Nation over the face of the earth.

Democracy is predicated upon the belief that the safest and surest road to happiness is through private industry, private property and the family life, with as little interferences on the part of the government as may be found practicable in the judgment of, and through the will of the people themselves. If we close the

door of private enterprise to the genius and ambition of men we concentrate all human effort upon *power*, and the autocrat is the inevitable result.

We in America have set up a form of democracy under which we believe that the great mass of the people have found more liberty, wider opportunity and greater happiness than has ever come to a people before. Is it to be but a passing phase, or is it to be an enduring form? In my judgement the answer is to be found in the system of education which we shall provide for the young. We are menaced today because of a lack of such a system. Whatever our State Governments may have done to develop the intellect of their people, they have made little provision for the development of character,—of ideals of life by American standards,—of Americanism. The spirit which has made America is not the product of our public school systems, though it has often been transmitted to children by individual teachers, whose noble characters and examples have been the sources of the finest inspirations, but its cultivation has never been made a part of the school system and recent events admonish us in no uncertain terms that the time has come when this cannot be safely neglected. The Spirit of

America must be so cultivated and developed in the characters of our boys and girls that it becomes to them a sacred thing, a living force supreme, irresistible. Thus, and thus only, can we feel assured that this splendid Democracy of ours will be preserved to future generations and perhaps to the end of time.

3

INDUSTRIAL AMERICA



## INDUSTRIAL AMERICA

During the first half century of our history there was no business in the Republic comparable in any way to the business of the Republic itself;—the business of working out the practical problems of a new experiment in Democracy; of expanding a union of thirteen States into a great Nation. There was no field so inviting to men of the largest caliber and the keenest ambition, and the need of such men in that crisis was great. The long list of those who filled public places during that period is a roll of great men of whose achievements the people of America will ever be proud.

When the problems of Government under our system of Democracy had been so far worked out as seemingly to insure its integrity and permanency; when the acquisition and settlement of the immense territory West of the Alleghanies and of the Mississippi opened up new problems of great magnitude; when the inventions following upon the application of steam, electricity and gas to machinery, transportation and communication began to open opportunities for genius and energy in all directions, the great army of our big

men turned its attention to these fields, and America became the richest Nation on earth, producing to an extent and in a variety beyond the dreams of even the great pioneers through whose vision and leadership the West was conquered and transformed into the wonderful workshop it is today. So rapid was this progress, and so great the genius of the "Empire Builders" and the "Captains of Industry" in organization and leadership that colossal fortunes were accumulated in an incredibly short space of time. But the immense inequalities which resulted created alarming problems, out of which in turn have grown yet other problems. It is of some of these problems that I propose to speak to you today.

### THE TRUST.

In the early days of the Union, industry was simple in character; communities were small; transportation was crude and slow. The dominant idea in the development of industry and of commerce was individual enterprise. Competition was "the life of trade" Individual opportunity and achievement was the highest conception of liberty.



When industry began to develop and to become complex through the introduction and the constant improvement of machinery;—when the locomotive, the telegraph, and the telephone began to draw the world closer together, the idea of individual initiative and individual enterprise began to give way to the thought of cooperative effort. Gradually men began to see in cooperation an even greater constructive force than in competition, and to get together in an effort to utilize it. The first attempts as I recall them, were crude. Too often men gave more thought to how they could circumvent these cooperative agreements and get the best of their associates, than they gave to the wisdom and effectiveness of the agreements themselves. It was soon found that such association were futile as well as immoral.

The next step was association for the purpose of getting something out of the public which could not otherwise be secured. Here the Common Law,—the law of common sense and the fundamental law of the States,—stepped in and prohibited any association which worked an injury to the public. As Trade spread beyond the limits of the several States it became necessary for Congress to

enact a law governing this interstate commerce; and so the Sherman Act was passed. That Act reads as follows:—

“Every combination, contract and conspiracy in restraint of trade or commerce amongst the States or with foreign nations is hereby declared to be unlawful.”

It was generally thought that it was intended merely to make the Common Law applicable to interstate trade. In two of its earliest decisions on the Act, however, the Supreme Court construed its meaning to be precisely the reverse of the Common Law, In the first place it held that every contract or combination made for the purpose of restraining trade, whether reasonable or unreasonable, and whether beneficial or inimical to the general welfare was a violation of the Act. About the same time it also held that the Act contemplated only such a contract or combination as had for its *direct* purpose a restraint of trade and did not cover any contract or combination the direct purpose of which did not concern interstate trade even though the indirect effect of it might constitute a restraint of such trade. In other words, A and B, the owners of two factories might not agree upon a price nor upon a cur-

tailment of product which they shipped out of their respective States, but A might buy B's factory or consolidate with B and thus effectively accomplish both of these purposes.

This direct conflict between the Common Law and the Sherman Act existed for fifteen years during which period business men were in a state of confusion. Under the Sherman Act, as thus interpreted, there was no moral question involved. It was simply a matter of adopting a prescribed form. Under the Common Law it was altogether a moral question affecting the public welfare. Under the influence of this conflict in the laws and largely in consequence of the confusion which arose from it great trusts were formed, often by methods which would now be universally condemned, and great wrongs were done which would not now be countenanced. And yet, when in 1911 the Supreme Court reversed its decision on both of these points and adopted the Common Law interpretation, the country arose in arms and an investigation was instituted by the Senate with the avowed purpose of finding some remedy for the disaster, which it was felt must ensue.

The Committee of the Senate appointed in July, 1911, to investigate the subject made

its report on the 13th of February, 1913. In this report Senator Cummins, Chairman of the Committee on interstate Commerce, used the following language:

“The fair conclusion is that it is now the settled doctrine of the Supreme Court that only undue or unreasonable restraints of trade are made unlawful by the Anti-Trust Act, and that in each instance it is for the Court to determine whether the established restraint of trade is a due restraint or an undue restraint. The Committee has full confidence in the integrity, intelligence, and patriotism of the Supreme Court of the United States, but it is unwilling to repose in that Court, or any other Court, the vast and undefined power which it must exercise in the administration of the statute under the rule which it has promulgated. It substitutes the Court in the place of Congress, for whenever the rule is invoked the Court does not administer the law, but makes the law. If it continues in force the Federal Court will, so far as restraint of trade is concerned, make a Common Law for the United States just as the English courts have made a common law for England.”

On the fourth of March, 1913, the Wilson Administration went into office and a number of bills were introduced which finally crystallized in the enactment of laws known as the Federal Trade Commission Act and the Clayton Act.

The Committee in charge of the bill which resulted in the latter act came to the conclusion that it was utterly impracticable to define either what was for or what was not for

the common welfare. Congress could do no more than make unlawful certain associations which opened opportunities and temptations to combine to the injury of the public, although such associations in themselves might not be at all immoral or wrong. To illustrate: There is nothing wrong in a man carrying a pistol concealed on his person. At times it has proved of value to him in the protection of his life, but it has more often proved harmful to the public, and therefore, it has been made unlawful by most of the States of the Union. So Congress thought it might be with interlocking directorates which are prohibited in the Clayton Act. In the Federal Trade Commission Act an instrumentality was created which it was hoped would be helpful to business in putting a stop to unfair competition in a practical way.

In recent years the public has realized that in the determination of the legality of combinations there is a moral as well as an economic question involved. It instinctively feels that cooperation within certain limitations is for the public welfare; that it constitutes a great constructive force, the benefit of which is essential, especially when we come in competition with foreign trade. It is grad-

ually seeing the absurdity of attempting to destroy all combinations because some combinations have proved harmful. Business men themselves are beginning to see more clearly wherein combinations have been wrong and where cooperation can be made right.

During the period of confusion many enterprises were organized in plain violation of the Sherman Act as now construed. The question arose as to whether a corporation, which had stopped short of actual monopoly and had ceased all illegal practices under the Sherman Act could be punished or dissolved because of illegal acts in its formation many years before. That question has been finally set at rest by the recent decision in the case of the United States of America vs. the United States Steel Corporation where the Supreme Court held that though the process of its formation many years since may have been in violation of law its practices had been brought within the law prior to the institution of the suit, and there was no present cause of action. It concludes:

“We are unable to see that the public interest will be served by yielding to the contention of the government:\*\*and we do not see in a contrary conclusion a risk

of injury to the public interest, \*\*And\*\*the public interest is of paramount regard."

The Court has firmly planted its feet upon the platform of *public welfare* as the guiding principle. So cooperate as not to impair the public welfare, and you are entitled to whatever profit you may be able to earn, And this principle is not one that is applicable to business corporations alone. It is a fundamental principle of our Democracy that we should develop and grow and prosper, individually and collectively just as far as we possibly can, provided it is not done at the expense of the public welfare.

But whither is this movement to concentrate capital and industry taking us? Where are we to find an equilibrium under our democratic form of government which shall leave its integrity unimpaired?

We have seen how industry rapidly concentrated and consolidated under the influence and control of comparatively few men in a very few years, and how under this process our boasted democracy practically became a plutocracy. Fortunately we were saved from serious consequences and brought back to our mooring by the sound good sense of the people.

Many causes have been assigned for the rapid growth of these Trusts, but it does not seem to me that any one of the causes can be regarded as solely responsible for it. That the Tariff had much to do with it is unquestionable. Protection was first designed to encourage and preserve "infant industries", but so rapidly did they grow under its benign influence that their giant grasp was soon felt in finance, transportation and legislation. In the end they controlled them all and grew in proportion.

Probably the most direct cause of the Trust was the Railroad. When you control the avenues of trade, you necessarily control the trade itself, and so I quite agree with the authority that gives to the railroad systems of the country the name of the "mother of trusts". It was not until after the almost universal bankruptcy of the small railroad companies, and their reassembling and re-incorporation under extensive systems, that the concentration of industry occurred, and in almost every case the growth of a trust can be traced to preferential rates or preferential service rendered by the railroads.

So outrageous became the system of rebates whereby the trust was built up at the expense



of general industry, that the country was aroused to action, but it has taken many years to check it effectively. The preference was not confined to rates, but extended also to service, which was so discriminately rendered as to make it practically impossible for the small industry to compete with the Trust thus favored by the Railroad, which indeed it oftentimes controlled.

In order to strengthen the bond between these great industrial Trusts and the Railroad systems, it became necessary to bring into the combination the large bankers of the country. And shortly bankers of vision and genius gathered to themselves the practical control of both the industries and the transportation systems, and Wall Street became not only the center of wealth but in fact the center of power and authority in the country.

Bank currency could only be issued upon government bonds, of which there was a very limited amount outstanding, and through the ownership of these bonds, concentrated in the hands of a few, the money markets of the country could be and often were regulated and controlled by an oligarchy who raised or lowered rates of interest, who expanded or

contracted the money market as it best served their interests. Comparatively few people in the country realized the extent to which its industry, its trade, its transportation, its government were all in the hands of this group of financial interests centering in Wall Street.

Some ten years ago the question of revising our banking system came before Congress for consideration. Although one party was in control of the Executive and of both houses of Congress, it took no action to reform the existing system;—and why? Because it was largely under the domination of these very financial interests, and they did not wish a change unless that change should be to some system which would leave the practical control where it then was. But the country had become alarmed, and although bankers generally seemed to have reached the conclusion that a great central bank was the only solution of our banking problems, it became clear that the people were not going to permit its creation.

It remained for the succeeding administration to provide a system which released the country from a grip that was gradually strangling its democratic development, and

concentrating greater and greater power into the hands of the plutocracy.

While the discriminating rates of the Railroad systems, in so far as individuals in the same locality are concerned, have been largely, if not altogether removed, there still remains a discrimination against communities and localities, originally made, in most instances, to build up some special interest and now very difficult to change, because conditions were created by these discriminative rates which would be disastrously effected by a readjustment.

There has come into existence in recent years another vehicle of transportation which is destined to release many localities from these railroad discriminations. It will also in all probability solve the problem of the ever increasing concentration of population which the railroad so materially accelerated. It must at the same time limit the growth of the Trust. When the highways of the country are properly constructed and surfaced along their main arteries, the automobile and the motor truck will share with the railroads the travel and transportation of the country. The small industry will be enabled to get its products into the centers of population from

their suburbs by its own vehicles of transportation in its own way, and at its own time.

For some years there has been a growing doubt as to the possibility of maintaining economy and efficiency in the large Trust. There is undoubtedly some limit beyond which both economy and efficiency begin to decline. What that limit is in each industry is a matter of experimentation.

With the removal of the railway discrimination the practical tests are at hand, if the Federal Trade Commission effectively performs the public service for which it was created and puts a stop to unfair competition—that is competition by the larger industry which has for its purpose the elimination of a smaller one, not because it can give to the public a better or a cheaper article, but because its financial resources are large enough to enable it to incur the losses necessary to accomplish its purpose of destruction.

## LABOR UNIONS.

Combinations of labor are no new things. The Trade Guilds of the Middle Ages furnish concrete examples of successful cooperative efforts of labor centuries ago. Trade Union-

ism, however, as we know it now, heading up in the American Federation of Labor, is a product of recent years. It was originally created for the purpose of protecting labor against the growing power of capital. The public sensed the desperate character of the struggle and its sympathy and complacency, often under trying circumstances, enabled labor to win many of its early battles. That many things were done in these struggles which were illegal, which were immoral, which were even criminal, is unquestionable, but unfortunately there were many examples of combinations of capital hardly less immoral in their practices. It is not therefore altogether surprising that, in their desperation laborers at times yielded to blind passion and transgressed many laws of the land. The Unions, gathering behind them a large share of public sentiment, grew strong under the hands of skillful executives and have come to wield a great influence and power in the country. This growth of power, as might have been expected, has at times been accompanied by a more and more reckless exercise of it. The public began to be apprehensive several years ago. Today it is seriously alarmed, and determined to protect itself.

The police strike in Boston revealed the extent to which labor was moving to control the government itself. The bituminous coal strike showed the extent it was prepared to make the country suffer to secure its ends. The Public began to ask itself if government was to pass into the hands of the American Federation of Labor; because no other construction could be put upon a successful strike called under the sanction or at the order of that Federation, by a body of men sworn to the service of the State of Massachusetts for keeping peace and order in the city of Boston.

The reaction from that strike was very significantly expressed in the prompt election of Governor Coolidge, as an emphatic protest against the course of the American Federation of Labor. In the case of the bituminous coal strike the whole country was threatened with suffering and distress and with a paralysis of its entire business, because the mine owners and the operatives could not agree upon the compensation of the latter. The attitude of the miners in the face of this distress became intolerable to the people, and brought them to a fuller realization of the dangers to the whole social structure involved

in the continued conflicts between capital and labor.

Labor has strenuously maintained that its combinations must be differentiated from combinations of capital because of the human element involved, and yet it has always endeavored to link its combinations with those of agriculture in legislation, and has invariably succeeded in doing so. Its contention is not genuine, nor is it sound. Cooperation is only declared to be unlawful when it is inimical to the general welfare. When that is the result it is no more lawful in the case of laborers or farmers than in the case of manufacturers or railroads. The public welfare must stand supreme. It must stand above the welfare of any part of the commonwealth or any class in the commonwealth. Where the combination has a human purpose the Court must take that into consideration in deciding the question as to whether in a strike for better working conditions or a living wage, for instance, it is not more for the public welfare that it shall succeed than that the public should be saved some inconvenience. On the other hand, suppose it becomes a question as to whether 100,000 workers or 10,000,000 of the public

who are brought to the verge, say, of starvation, shall suffer by the method of enforcing a class right adopted by the workers. In any form of government it is a fundamental principle that a man must so exercise his rights as not to violate the rights of others; and when "others" become the general public, no government could long exist which would permit it. The means must be found by it to settle these conflicting rights of elements in the commonwealth without injury to the commonwealth itself, or that government will fail.

Labor leaders endeavored to have inserted in the Clayton Act a provision which would enable them to act as they chose and be immune from the law. The clause which they finally succeeded in getting into the Act had no such effect. The United States Supreme Court in the *Heckman* case holds "that the right to organize a union is unquestionable, but it is erroneous to assume that this right is so absolute that it may be exercised under any circumstances."

In the comparatively recent case against the United Mine Workers of America, the United States Circuit Courts of Appeals has taken exactly the same ground. The facts



revealed in that case showed threatened personal violence and murder; also the destruction of large amounts of property, including loaded cars, mine buildings and equipments, also residences occupied by workers who refused to join the union, and other acts of violence. Injunctions were disregarded, and no efforts were made by various organizations to punish the unlawful acts committed by the workers. On the other hand strikers were paid premiums, allowed suit costs and every act committed by members of the District and Local organization was approved by the national organization. The Court held the United Mine Workers to be guilty of the acts as charged and assessed damages against them amounting to \$600,000.

The labor unions must either go back to sound democratic standards, subordinating their welfare to that of the commonwealth, and seeking to obtain their rights within that limitation or go forward to revolution under the tyranny of the proletariat and the Bolshevik.

### THE PUBLIC.

So serious a stage did this controversy between capital and labor reach last Fall that

the President assembled a conference for the purpose of endeavoring to reach a solution of the problem under which we could move forward in peace and contentment to constructive work. This conference was composed of three groups representing respectively capital, labor and the public, in the hopes that with these three sides all represented, methods would be devised for doing away with the perpetual recurrence of strikes, and the country would be able to get down to normal production. That hope was not realized. The conference could not agree on anything and adjourned.

A second conference was then called by the President. It has recently made its report. This conference had for its chairman the Secretary of Labor, and its report was unanimous. Any one who examines it will find, as might be imagined from its composition, that it is most conservative. It carefully preserves to labor the means of securing its rights, even to the extent of a resort to strikes when other means have been exhausted. While it is not practicable to go into the details of this report, I would like to quote some portions of it to show the motives which ac-

tuated those composing it and the lines along which its remedies were worked out.:—

“There is, however, a feature of the present industrial unrest which differentiates it from that commonly existing before the war.\*\*They are not for that reason any less significant. They reveal a desire on the part of workers to exert a larger and more organic influence upon the processes of the industrial life. This impulse is not to be discouraged but made helpful and cooperative. With comprehending and sympathetic appreciation, it can be converted into a force working for a better spirit and understanding between Capital and Labor, and for more effective cooperation.

“The Conference in making its final report has considered the interpreting of actual achievements its most useful function. It believes that practical experience is more useful than the view of extremists on either side. Such experience shows that no group of men can successfully undertake to deal with the interests of other groups without their cooperative participation in the methods of equitable adjustment.

“The guiding thought of the Conference has been that the right relationship between employer and employee can be best promoted by the deliberate organization of that relationship. That organization should begin within the plant itself. Its object should be to organize unity of interest and thus to diminish the area of conflict, and supply by the organized cooperation between employers and employees the advantages of that human relationship that existed between them when industries were smaller. Such organization should provide for the joint action of managers and employees in dealing with their common interests. It should emphasize the responsibility of managers to know men at least as intimately as they know materials, and the right and duty of employees to have a knowledge of the industry, its processes and policies. Employees need to understand their relation to the joint endeavor so that they may once more have a creative interest in their work.

“Industrial problems vary not only with each industry

but in each establishment. Therefore, the strategic place to begin battle with misunderstanding is within the industrial plant itself. Primarily the settlement must come from the bottom, not from the top.

"The Conference finds that joint organization of management and employees where undertaken with sincerity and good will has a record of success. It is not a field for legislation, because the form which employee representation should take may vary in every plant. The Conference, therefore, does not direct this recommendation to legislators, but to managers and employees.

"If the joint organization of management and employees in the plant of industry fails to reach a collective agreement, or if without such joint organization, disputes arise which are not settled by existing agencies, then the Conference proposes a system of settlement close at hand and under governmental encouragement and a minimum of regulation. The entrance of the Government into these problems should be to stimulate further cooperation.

"Employees need an established channel of expression and an opportunity for responsible consultation on matters which affect them in their relations with their employers and their work. There must be diffused among them a better knowledge of the industry as a whole and of their own relations to its success. Employee representation will not only enable them better to advance their own interests, but will make them more definitely conscious of their own contribution, and their own responsibilities.

"The idea of employee representation has aroused opposition from two sources. On the one hand, in plants too large for direct personal contact, employers who still adhere to the theory that labor is a commodity, hold off from any form of cooperation with employees. \*\*On the other hand a number of trade union leaders regard shop representation as a subtle weapon directed against the union. This thought is apparently based on the fear that it may be used by some employers to undermine the unions. Conceived in that spirit no plan can be a lasting agency of industrial peace.

"It is a thing to be undertaken, if at all, in a thorough-going way. Representatives must be selected by the employees with absolute freedom. In order to prevent suspicion on any side, selection should be by secret ballot. There must be equal freedom of expression thereafter.

\*\*Both sides must be prepared to study the problems presented and must give them patient, serious and open-minded consideration. There should be made available those facilities and facts essential to the formation of soundly based conclusions.

\*\*\*"Conditions affecting human beings in industry were, during the last generation, largely in charge of men whose special training had been devoted to the mechanical side of production. Much study was given to the machinery and processes upon which men worked. But the factors that contributed to the broader human development and satisfaction of the employee and that lead to increased productivity were too nearly neglected. The elimination of human friction is, (even from the point of view of increased production), no less important than the elimination of waste in materials, or in mechanical power."

No one can read these extracts from the report of this Conference without realizing that its members have gone to the very root of the evils which have grown up within the years, and have striven to eradicate them thoroughly by a substitution of confidence and trust for suspicion and distrust; of co-operation for coercion; of love for hate; of industrial peace for industrial war. The time has passed when an employee in one of our great industries can find any adequate protection for himself by seeking employment with some other employer. The em-

ployees of our great industries today have become a part and parcel of these industries and they must find some other means of protecting their rights and improving their conditions within the industry itself. In fact we must work out democracy in industry within our democracy in government and as a part of it, or we shall not secure any real contentment amongst our working classes.

The problem of democracy in industry is quite different from the problem of democracy in government. Unless a nation is entirely self-supporting and self-sustaining;—unless it does not propose to market its products beyond its borders or permit the products of others to come within its borders, its industries have to compete with the world.

Efficiency becomes essential in its organization and administration.

All writers on the comparison of American industry with industry abroad seem to agree that the success of American industry is primarily due to its genius in organization; to the brains and energy that direct the industry. They very generally agree that the success of American industry is further due to the prompt introduction of machinery whenever it can improve a process. Foreign

labor is almost universally given to opposing the introduction of new machinery. American labor, on the other hand, welcomes new machinery, helps to invent it and install it, arguing that it performs the most arduous part of the work, and by increasing the production aids labor to receive all the more. The problem of democratizing industry is, first to preserve our genius for organization and administration by recognizing its value, by giving it the proper scope and by rewarding it accordingly; then to give labor such an interest in the undertaking as will induce it to throw its whole heart and soul into its work;—then to make the representatives of labor a part of the organization, thereby securing their support and cooperation in improvements of labor management;—in processes, tools, machinery, etc;—in working conditions, hours, etc. and generally to coordinate all the human factors engaged in the undertaking in a more united effort for its success; more united because it has been made their joint undertaking.

To do this labor must be prepared by education for the part it has to play and education must be adapted to that end.

Industry may be divided into three classes.

- (1) Public service utilities.
- (2) Quasi-public enterprises.
- (3) Private enterprises.

There are certain public services where no combination which might impair efficiency or loyalty could be permitted without serious impairment of the integrity of the government itself. Services rendered by police departments and fire departments are within this class. Not that the members of such departments should not associate for the purpose of presenting grievances or requests in a more forceful manner, either to the heads of the respective departments or to the government itself; but beyond that it must be recognized that any combination to strike or any outside affiliation which divides allegiances is incompatible with the stability of the government itself.

The Boston police strike, however, is a symptom which should not be overlooked. It is generally understood that there were real grievances to which the department would not give heed. Unfortunately for the policeman they committed so dangerous an attack upon the integrity of the government of the State that any delinquencies of the Commis-



sion were lost sight of in the subsequent events.

(2) Quasi-public enterprises are those in which the public are so interested that government regulations become necessary to protect the public from harm. This is true of such enterprises as railways, lighting and power systems, telegraph and telephone lines, water works, etc.

The recent experience of the country in connection with the bituminous coal mine strike has caused the question to be asked whether under our complex conditions there are not certain private industries so essential to the general welfare as to necessitate their inclusion in the same category. This kind of industry and service unquestionably must be treated from a higher standpoint than the welfare of those engaged in it. Their interruption works a hardship upon the whole community in which they are being operated and sometimes upon practically the whole commonwealth. It manifestly should not be permitted when there is involved a larger and higher welfare than that of the employers and employees.

(3) In private industry where competition is active, the question of wages is ap-

parently of public interest only when the wages are so low as to make the worker in some measure a charge upon the community, or are so high as to destroy the industry by making it impracticable for it to compete with its rivals. It might be assumed that the strike and lockout should be given free play here. The fact is, private industries are becoming so closely allied through national and industrial associations, and labor has in like manner become so affiliated through the American Federation of Labor, that the strike almost invariably now assumes wider proportions than the closing of any one plant. In practice the strike has become a widespread industrial war in which the principle sufferers are too often the public.

Labor has always confused in its own mind, or at least has endeavored to confuse in the public mind, the right to quit work and the right to strike. It has used the terms as if they were synonymous. The strike is a conspiracy to force an employer to grant a demand of the conspirators. One of the cardinal principles of democratic law is that you must not use your own so as to injure another. The strike is not an exercise of the right to quit work; it is a conspiracy to use that right

in conjunction with others so as to injure another. And the conspiracy does not stop there. It is invariably carried on by the further effort to persuade others to quit work also, and then to force them to do so by terrorism, and even by physical injury. And labor is so affiliated that the conspiracy is of the widest range and consequence. On the other hand, the tendency to concentration in industry was tremendously accelerated during the war. In 1912 business organized a National Association, known as the Chamber of Commerce of the United States, All local Chambers of Commerce and all National and State Trade and Industrial Associations were invited to join that organization. During the war the government found it necessary to deal with the industries of the country as a whole and got the Chamber of Commerce of the United States to organize them into Associations whose boards could contract for the government's needs, dividing the supply out amongst the members of Associations in such manner as would fairly distribute it and at the same time assure the delivery the government desired.

This enforced association brought men together in a way and to an extent it would

have taken many years to do under ordinary circumstances and they found such association both agreeable and profitable.

Now that the government requirements have been supplied there is no longer need for such Associations, but many such Associations persist. They have found that much has been learned from each other in improved processes of manufacture, in the purchase and sale of materials, in organization management, in working conditions, etc. Many have employed secretaries to whom reports are confidentially made by each member, giving his output, his sales, his costs, his prices, etc. Information is furnished all members by the Secretary as to minimum, maximum and average costs and prices, etc. also as to stocks on hand and sales made, without revealing any one member's business. Thus a basis has been established for intelligent competition. If the Association goes farther and fixes prices either actually or potentially the public welfare demands its dissolution, unless the public has a means of regulation which will protect it, such as is done with public utilities generally. This tendency to combine,—to cooperate, has taken such forms both with labor and industry that the gov-

ernment is compelled to take a firmer hand in adjusting their differences. They are now no longer private local disputes.

It is for that reason that the President appointed the industrial Commission. The public is most anxiously awaiting the results of the report of that Commission. The ownership of private property and the individual opportunity of acquiring it have been amongst the fundamentals of our democracy. Along that road alone, we have believed, lies real liberty and happiness. Unless we can find means to adjust earnings and profits in the acquisition of property amongst those engaged in industry, short of petty revolution, which the strike and lockout have practically become, we have failed in our democracy. Both capital and labor must realize that neither can control nor ought to control the settlements of such questions.

## CONCLUSION.

It is now nearly a century and a half since the American people through their duly selected representatives solemnly subscribed to the creed that all men are created equal;—that all men are entitled to equal rights in the framing of laws for their association and to equal opportunities and protection thereunder; and in order to give force and effect to their faith dedicated themselves to the establishment of a government of the people, by the people and for the people.

The consciousness that the government under which they were living was their very own brought out the best that was in them;—developed their loftiest sentiments and noblest ambitions. Liberty took on a broader meaning. Human happiness spread into places where it had hitherto been little known and sounded depths in human nature, it had never reached before. And the effects were not confined to America but extended into the uttermost parts of the earth.

Is this great adventure destined to succeed when measured by the centuries to come? Can this form of government be made to endure?

Dangers have naturally beset it from the outset in its struggle for a more and more perfect expression. But the idea of liberty, founded in equal rights and equal opportunities, had taken too strong a hold upon the people of the country to be overthrown, and these dangers one after another have been averted.

Now the latest menace to this American form of government is the organization of men with a common interest which they set above the interest of the public at large. For more than a quarter of a century "Associations" of various kinds, but notably these associations of Capital and Labor, have been endeavoring to control legislation and government by one means or another for their own particular benefit regardless of the effect on those not of their association. It is a menace which must be recognized and reckoned with.

There is one safeguard upon which we may rely with confidence if we use it wisely. That safeguard is American Education;—Education which embraces a wider and fuller awakening and development of the spirit which has made America so great and so prosperous among the nations of the earth. That

spirit is born when it first catches a vision of the American idea of liberty and the American ideals of government and it grows in strength and stature as it comes to understand that personal service and personal sacrifice for the Common Welfare,—as the supreme purpose of these ideals,—is essential to the continued enjoyment of the liberty it would insure.









